

## Funding Plans Update

### ISSUE

This report provides an update and is requesting City Council approval for the Civic Facilities Funding Plan (Facilities Funding Plan), Recreation Game Plan Funding Plan, Bus Rapid Transit Funding Plan (BRT Plan) and Federal Gas Tax Allocation Plan, based on updated projects and estimates available.

### RECOMMENDATION

That the updated Civic Facilities Funding Plan, Recreation Game Plan Funding Plan, Bus Rapid Transit Funding Plan and Federal Gas Tax Allocation Plan be approved.

### BACKGROUND

The purpose of the funding plans and the Federal Gas Tax Allocation Plan is to strategically plan for major projects that leverage a variety of sources of funding. These plans provide some flexibility in the way that groups of similar projects can be planned and funded as needed.

### DISCUSSION/ANALYSIS

#### Civic Facilities Funding Plan

The purpose of the Facilities Funding Plan is to fund a number of major projects for civic facilities, most recently:

- Construction of fire halls (land, design and construction);
- Remai Modern Art Gallery (additional capital requirements);
- Children's Discovery Museum (asbestos removal); and
- Civic office space renovations/expansion.

Appendix 1 is a summary of the projects and funding sources included within the Facilities Funding Plan, as well as the cash flow requirements up to and including the year 2025.

All of the completed or in-progress projects have been approved by City Council through the annual capital budgets up to 2019.

There is one project included in the 2020/2021 Preliminary Capital Budget that will require funding from the Civic Facilities Funding Plan, while the same project and one other major initiative that requires funding beyond 2021 subject to City Council approval through future capital budgets:

Project	2020	2021	Beyond 2021
1949 – Civic Accommodation	\$5.0M	\$2.0M	\$2.00M
Fire capital needs such as fire halls and/or training centre			\$11.28M

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In addition, the Civic Facilities Funding Plan holds contingencies in the amount of \$3.13M; \$3.0M for the over-expenditure on the Remai Modern Art Gallery project and \$0.13M for general contingency for potential increases in other projects.

Mill rate funding phase-ins are still required for future debt repayments for the plan as well as future Fire operating costs as follows:

	2020	2021	2022
Phase-ins	\$889,000	\$690,000*	\$750,000

\*Note: \$100,000 of this amount is for phase-in of future Fire operating costs.

### Recreation Game Plan Funding Plan

Appendix 2 is a summary of the projects and funding sources included within the Recreation Game Plan Funding Plan. The purpose of this Plan is to fund prioritized recreation and parks amenities, including consideration of partnership project opportunities. The Plan includes recreation-related projects such as Merlis Belsher Place, Gordie Howe Sports Complex Master Plan and the Children's Discovery Museum.

All of the completed or in-progress projects have been approved by City Council through the annual capital budgets up to 2019.

There are four projects that require funding from the Recreation Game Plan Funding Plan in 2020/2021, while two of these projects as well as two other projects require funding beyond 2021 subject to City Council approval through future capital budgets:

Project	2020	2021	Beyond 2021
2048 – Forestry Farm & Zoo Master Plan	\$0.75M	\$0.60M	
1578 – Softball Diamond Complex #1	--	\$1.88M	
2352 – Boat Launch/River Access	--	\$0.10M	\$0.40M
2114 – Festival Sites and Venues	\$0.45M	\$0.40M	\$0.33M
2660 – Indoor Pools Accessibility Upgrades	--	--	\$1.00M
2607 – Outdoor and Paddling Pools Accessibility and Amenities	--	--	\$0.40M

Mill rate funding phase-ins that are required to support the plan are as follows:

	2020	2021	2022	2023
Phase-ins	\$300,000	\$250,000	\$250,000	\$250,000

### Major Transportation Infrastructure Funding (MTIF) Plan

The MTIF Plan was originally established and approved in principle by City Council in 2015 and set out the funding plan for the Chief Mistawasis, North Commuter Parkway and Traffic Bridge Project, Boychuk Drive and Highway 16 Interchange, contributions towards Bus Rapid Transit (BRT), and gravel street upgrades. With the exception of the

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BRT project, all of these projects have been fully approved and/or completed. The BRT component has been split into its own plan; therefore, there are no projects to approve for the future MTIF Plan and there is nothing to report for this Plan until future interchanges are contemplated.

### Bus Rapid Transit Funding Plan

The BRT components of the MTIF Plan are shown separately under this new funding plan in Appendix 3. The BRT Plan includes Transit and Access Transit bus purchases, Intelligent Transportation Systems, sidewalks, bus [ads, park and ride, and station and stop upgrades, which are all related to the implementation of the BRT. It is expected that future funding will be received through the Investing in Canada Infrastructure Plan from the federal and provincial governments. Also included in this Plan is \$5.00M for costs that will not be eligible for government funding, such as internal salaries.

There is one project included in the 2020/2021 Preliminary Capital Budget that requires funding from the BRT Plan as well as future funding. There are two other projects that require funding beyond 2021 subject to City Council approval through future capital budgets:

<b>Project</b>	<b>2020</b>	<b>2021</b>	<b>Beyond 2021</b>
2328 – Transit Implementation Plan	\$0.45M	\$0.45M	\$194.10M
0583 – Bus Replacement			\$ 57.10M
2095 – Access Transit Bus Replacement			\$ 2.90M

Mill rate funding phase-ins that are required to support the plan are as follows:

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Phase-ins	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000

### Federal Gas Tax Allocation Plan

The City of Saskatoon (City) currently receives an annual amount of about \$13.9M from the Federal Gas Tax Fund. These funds are either allocated directly to eligible capital projects such as public transit, water and wastewater infrastructure, and local roads and bridges, or used for ongoing payments (such as P3 projects). The City has applied these funds for eligible projects such as:

- Odour Abatement at the Wastewater Treatment Plant;
- Relining of Cells at the Wastewater Treatment Plant;
- Pumping and Electrical Upgrades at the Wastewater Treatment Plant;
- Lift Station Upgrades; and
- Sid Buckwold Bridge and Ramp Rehabilitation.

Some of these projects are traditionally funded and planned through utility rates; therefore, Gas Tax funds that are applied to these projects free-up reserve funding that was planned and/or collected through these rates. As a result, an equivalent amount of

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the funds can be transferred from these reserves to a reallocation pool to fund other projects.

Appendix 4 summarizes the projects that have received or are expected to receive Gas Tax or reallocation of Gas Tax funds up to and including 2024.

All of the completed or in-progress projects have been approved by City Council through the annual capital budgets up to 2019.

There is one project included in the 2020/2021 Preliminary Capital Budget that requires funding from the Federal Gas Tax Fund and/or the reallocation of these funds. There are two other projects/initiatives that require funding beyond 2021 subject to City Council approval through future capital budgets:

Project	2020	2021	Beyond 2021
P2599 - Curbside Organics Program	\$8.50M* \$1.50M**		
Fire Capital needs such as fire halls and/or training centre			\$ 3.75M**
BRT Funding Plan			\$24.80M**

\*Direct allocation of Gas Tax funds

\*\*Reallocated Gas Tax funds

A contingency amount of \$7.84M is being held in the Plan. These are unallocated Gas Tax funds that are deemed to be available over the period but not yet totally received.

The Federal Gas Tax Allocation Plan does not include the items from the 2020/2021 Business Plan and Budget Capital Prioritization Process report, with the exception of the Curbside Organics Program. The Plan will be updated to reflect the decisions made at the 2020/2021 Budget Deliberations on the allocation of the \$14.1M additional Federal Gas Tax.

### IMPLICATIONS

The financial implications for the 2020/2021 Preliminary Capital Budget are as follows:

Project	2020	2021	Total
1949 – Civic Accommodation Project	\$5.00M	\$2.00M	\$7.00M
2048 – Forestry Farm & Zoo Master Plan	\$0.75M	\$0.60M	\$1.35M
2352 – Boat Launch/River Access	--	\$0.10M	\$0.10M
2114 – Festival Sites and Venues	\$0.45M	\$0.40M	\$0.85M
1578 – Softball Diamond Complex #1	--	\$1.88M	\$1.88M
2328 – Transit Implementation Plan	\$0.45M	\$0.45M	\$0.90M
2599 – Curbside Organics Program	\$10.0M		\$10.0M

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Mill rate funding phase-ins are required in the 2020/2021 Preliminary Operating Budget as follows:

<b>Funding Plan</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Facilities Funding Plan	\$889,000	\$690,000	\$1.579M
Recreation Game Plan Funding Plan	\$300,000	\$250,000	\$0.550M
BRT Plan	\$750,000	\$750,000	\$ 1.50M

There are no legal, social, or environmental implications identified.

### **NEXT STEPS**

As projects are finalized and updated estimates for future projects are obtained, the funding plans will be reviewed and updated as required and reported to City Council.

### **APPENDICES**

1. Civic Facilities Funding Plan – Costs and Funding Sources Summary
2. Recreation Game Plan Funding Plan – Costs and Funding Sources Summary
3. Bus Rapid Transit Funding Plan Summary – Costs and Funding Sources Summary
4. Federal Gas Tax Allocation Plan Summary – Only to 2024

### **REPORT APPROVAL**

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